

## AMENDMENTS

1989—Pub. L. 101-73 amended section generally. Prior to amendment, section read as follows: “In order that the Federal Home Loan Banks may be supplied with such forms of stock, debentures, and bonds as may be necessary under this chapter, the Secretary of the Treasury is authorized to prepare such forms thereof as shall be suitable and approved by the board, which shall be held in the Treasury subject to delivery, upon order of the board. The engraved plates, dies, and bed pieces executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The board shall reimburse the Secretary of the Treasury for any expense incurred in the preparation, custody, and delivery of such stock, debentures, and bonds.”

**§ 1444. Eligibility to membership in banks**

(a) Any organization organized under the laws of any State and subject to inspection and regulation under the banking or similar laws of such State shall be eligible to become a member under this chapter if—

(1) it is organized solely for the purpose of supplying credit to its members;

(2) its membership (A) is confined exclusively to building and loan associations, savings and loan associations, cooperative banks, and homestead associations; or (B) is confined exclusively to savings banks; and

(3) of the institutions to which its membership is confined which are organized within the State, its membership includes a majority of such institutions.

(b) In all respects, but subject to such additional rules and regulations as the Board may provide, any such organization shall be a member for the purposes of this chapter.

(July 22, 1932, ch. 522, § 24, 47 Stat. 739; Pub. L. 101-73, title VII, § 701(b)(1), (3)(A), Aug. 9, 1989, 103 Stat. 412.)

## AMENDMENTS

1989—Subsec. (b). Pub. L. 101-73 substituted “Board” for “board”.

**§ 1445. Succession of Federal Home Loan Banks**

Each Federal Home Loan Bank shall have succession until dissolved by the Board under this chapter or by further act of Congress.

(July 22, 1932, ch. 522, § 25, 47 Stat. 740; Pub. L. 101-73, title VII, § 701(b)(1), (3)(A), Aug. 9, 1989, 103 Stat. 412.)

## AMENDMENTS

1989—Pub. L. 101-73 substituted “Board” for “board”.

**§ 1446. Liquidation or reorganization; acquisition of assets by other banks; assumption of liabilities**

Whenever the Board finds that the efficient and economical accomplishment of the purposes of this chapter will be aided by such action, and in accordance with such rules, regulations, and orders as the Board may prescribe, any Federal Home Loan Bank may be liquidated or reorganized, and its stock paid off and retired in whole or in part in connection therewith after paying or making provision for the payment of its liabilities. In the case of any such liquidation or reorganization, any other Federal Home Loan

Bank may, with the approval of the Board, acquire assets of any such liquidated or reorganized bank and assume liabilities thereof, in whole or in part.

(July 22, 1932, ch. 522, § 26, 47 Stat. 740; Pub. L. 101-73, title VII, § 701(b)(1), (3)(A), Aug. 9, 1989, 103 Stat. 412.)

## AMENDMENTS

1989—Pub. L. 101-73 substituted “Board” for “board” wherever appearing.

**§ 1447. Repealed. Pub. L. 106-102, title VI, § 606(c), Nov. 12, 1999, 113 Stat. 1454**

Section, act July 22, 1932, ch. 522, § 27, as added Pub. L. 103-204, § 18, Dec. 17, 1993, 107 Stat. 2401, related to Housing Opportunity Hotline program.

A prior section 1447, act July 22, 1932, ch. 522, § 27, 47 Stat. 740, related to institutions authorized to subscribe for stock of banks, prior to repeal by Pub. L. 101-73, title VII, § 704(c), Aug. 9, 1989, 103 Stat. 416.

**§ 1448. Effect of partial invalidity of chapter**

If any provision of this chapter, or the application thereof to any person or circumstances, is held invalid, the remainder of the chapter, and the application of such provision to other persons or circumstances, shall not be affected thereby.

(July 22, 1932, ch. 522, § 28, 47 Stat. 740.)

**§ 1449. Reservation of right to amend or repeal chapter**

The right to alter, amend, or repeal this chapter is expressly reserved.

(July 22, 1932, ch. 522, § 30, 47 Stat. 741.)

**CHAPTER 11A—FEDERAL HOME LOAN MORTGAGE CORPORATION**

Sec.

1451.

1452.

Definitions.

Federal Home Loan Mortgage Corporation.

(a) Creation; Board of Directors; policies; principal office; membership; term; vacancies.

(b) Capital distributions; limitation.

(c) Powers of the Corporation.

(d) Investment of funds; designation as depository, custodian, or agent for Corporation of any Federal Reserve bank, Federal home loan bank, or any bank designated as depository of public money.

(e) Exemption from Federal, State, and local taxation; exception; applicability of other provisions.

(f) Actions by and against the Corporation; jurisdiction; removal of actions; attachment or execution issued against the Corporation.

(g) Mortgages, obligations, or other securities sold by Corporation deemed lawful investments for security purposes.

(h) Report on comparability of compensation policies and financial performance of Corporation and payments earned by executive officers; prohibition on payments to terminated executive officers.

1453. Capitalization of Federal Home Loan Mortgage Corporation.

(a) Common stock; issuance.

- Sec.
- (b) Par value.
1454. Purchase and sale of mortgages; residential mortgages; conventional mortgages; terms and conditions of sale or other disposition; authority to enter into, perform, and carry out transactions.
- (a) Authority for purchase and sale; residential mortgages; conventional mortgages; terms and conditions of sale or other disposition; lending activities.
- (b) Authority of other institutions to enter into, perform, and carry out transactions.
- (c) Prior approval of Secretary for new programs.
1455. Obligations and securities of the Corporation.
- (a) Authority to issue; terms and conditions; validity.
- (b) Prohibitions and restrictions; creation of liens and charges; rank and priority; causes of action to enforce; jurisdiction; service of process.
- (c) Purchase of obligations; funds, maximum amount of purchases, etc.
- (d) Validity of provisions; validity of restrictions, prohibitions, liens, or charges.
- (e) Authority to purchase, hold, or invest by person, trust, or organization.
- (f) Preferred stock.
- (g) Securities exempt from regulation.
- (h) Securities backed by mortgages not purchased by Corporation.
- (i) Prohibition on assessment or collection of fee or charge by United States.
- (j) Notes, debentures, or substantially identical types of unsecured obligations; issuance, maturities, interest rates, etc.
- (k) Securities in form of debt obligations or trust certificates of beneficial interest; issuance, maturities, interest rates, etc.
1456. Immunity of Corporation; audits and reporting requirements; data collection; Housing Advisory Council.
- (a) Rights and remedies of Corporation; State qualifications or similar statutes.
- (b) Government audits; procedure; access to records, etc.; reimbursement of costs.
- (c) Financial reports; submission to Director; contents.
- (d) Independent audits of financial statements.
- (e) Mortgage data collection and reporting requirements.
- (f) Report on housing activities; contents; public disclosure.
- (g) Affordable Housing Advisory Council.
1457. Prohibited activities; penalties for violations by organizations, officers and members of organizations, and individuals.
1458. Territorial applicability.
1459. Separability.

#### § 1451. Definitions

As used in this chapter—

(a) The term “Board of Directors” means the Board of Directors of the Corporation.

(b) The term “Corporation” means the Federal Home Loan Mortgage Corporation created by this chapter.

(c) The term “law” includes any law of the United States or of any State (including any rule of law or of equity).

(d) The term “mortgage” includes such classes of liens as are commonly given or are legally effective to secure advances on, or the unpaid purchase price of, real estate under the laws of the State in which the real estate is located or a manufactured home that is personal property under the laws of the State in which the manufactured home is located together with the credit instruments, if any, secured thereby, and includes interests in mortgages.

(e) The term “organization” means any corporation, partnership, association, business trust, or business entity.

(f) The term “prescribe” means to prescribe by regulations or otherwise.

(g) The term “property” includes any property, whether real, personal, mixed, or otherwise, including without limitation on the generality of the foregoing choses in action and mortgages, and includes any interest in any of the foregoing.

(h) The term “residential mortgage” means a mortgage which (1) is a mortgage on real estate, in fee simple or under a leasehold having such term as may be prescribed by the Corporation, upon which there is located a structure or structures designed in whole or in part for residential use, or which comprises or includes one or more condominium units or dwelling units (as defined by the Corporation) and (2) has such characteristics and meets such requirements as to amount, term, repayment provisions, number of families, status as a lien on such real estate, and otherwise, as may be prescribed by the Corporation. The term “residential mortgage” also includes a loan or advance of credit insured under title I of the National Housing Act [12 U.S.C. 1702 et seq.] whose original proceeds are applied for in order to finance energy conserving improvements, or the addition of a solar energy system, to residential real estate. The term “residential mortgage” also includes a loan or advance of credit for such purposes, or purchased from any public utility carrying out activities in accordance with the requirements of title II of the National Energy Conservation Policy Act [42 U.S.C. 8211 et seq.] if the residential mortgage to be purchased is a loan or advance of credit the original proceeds of which are applied for in order to finance the purchase and installation of residential energy conservation measures (as defined in section 210(11)<sup>1</sup> of the National Energy Conservation Policy Act) in residential real estate, not having the benefit of such insurance and includes loans made where the lender relies for purposes of repayment primarily on the borrower’s general credit standing and forecast of income, with or without other security. The term “residential mortgage” is also deemed to include a secured loan or advance of credit the proceeds of which are intended to finance the rehabilitation, renovation, modernization, refurbishment, or improvement of properties as to which the Corporation may purchase a “residential mortgage” as defined under the first sentence of this subsection. Such term shall also include other secured loans that are secured by a subordinate lien against a property as to which the Corporation may purchase a residential

<sup>1</sup> See References in Text note below.